



Budget Basics

Prepared by the North Dakota Legislative Council
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DEPARTMENT OF HUMAN SERVICES

The Department of Human Services (DHS) administers several programs that aid individuals. The department provides in-person services through eight regional human service centers, the State Hospital, and the Life Skills and Transition Center.

DEPARTMENT BUDGET Legislative Appropriations

Below is an overview of legislative appropriations for DHS since the 2013-15 biennium.

Biennium	(Amounts Shown in Millions)			
	General Fund	Federal Funds	Special Funds	Total
2013-15	\$1,171.1	\$1,729.9	\$135.5	\$3,036.5
2015-17	\$1,281.6	\$2,142.0	\$122.5	\$3,546.1
2017-19	\$1,339.2	\$2,228.3	\$345.6	\$3,913.1
2019-21	\$1,462.6	\$2,275.7	\$368.5	\$4,106.8

Major Budget Areas

The department's budget is divided into the following four budget areas:

Area	Major Programs and Purposes
Management	Administrative and information technology costs
Program and policy	Grants and administrative costs for programs, including medical services, developmental disability services, children and family services, behavioral health services, aging services, economic assistance programs, and vocational rehabilitation
Field services	Operating and maintenance costs of human service centers, the State Hospital, and the Life Skills and Transition Center
County social services	Costs relating to the state takeover of county social service costs

MEDICAID PROGRAM

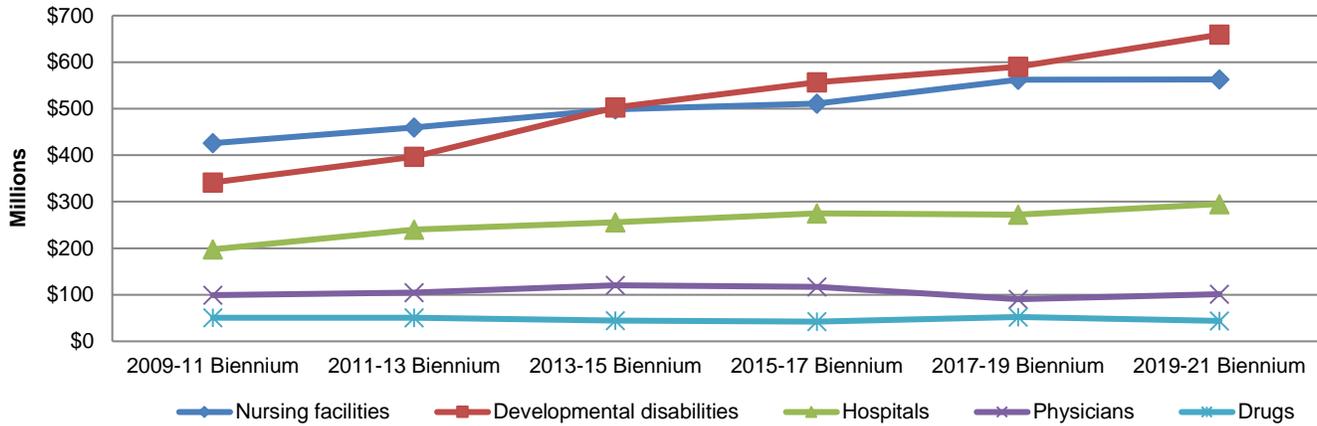
The Medicaid program provides health coverage to qualifying individuals. During state fiscal year 2020, approximately 73,420 North Dakotans received assistance through either the traditional Medicaid program, Medicaid Expansion program, or children's health insurance program.

Federal Medical Assistance Percentage

The federal medical assistance percentage (FMAP) is the rate used to determine matching funds required by states for the Medicaid program. The federal medical assistance percentage is determined by comparing each state's 3-year average per capita income to the national 3-year average per capita income. The minimum FMAP a state may have is 50 percent. For federal fiscal year 2021 (October 2020 through September 2021), North Dakota's FMAP rate is 52.4 percent. Certain medical assistance programs, including the Medicaid Expansion program and children's health insurance program, use an enhanced FMAP rate which is 90 percent for the Medicaid Expansion program and 66.68 percent for the children's health insurance program for fiscal year 2021.

Major Medicaid Costs

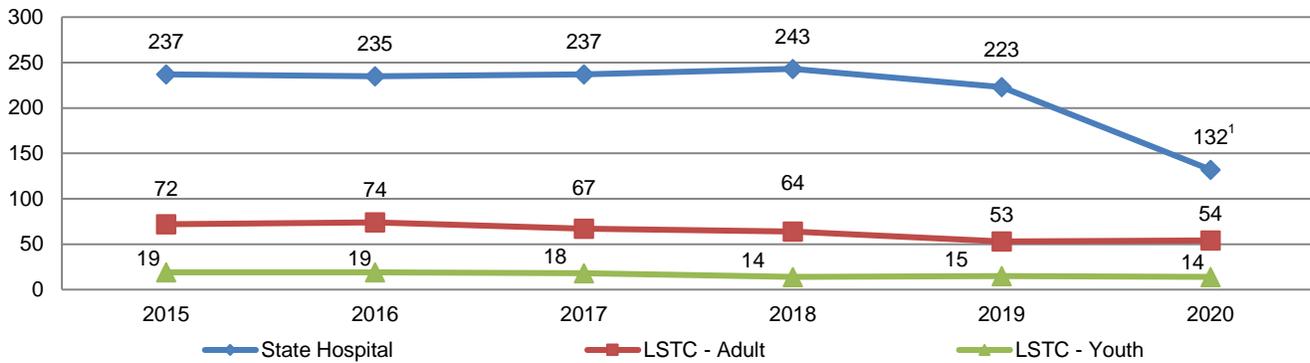
The chart below details major Medicaid costs since the 2009-11 biennium.



STATE HOSPITAL AND LIFE SKILLS AND TRANSITION CENTER

The Department of Human Services operates the State Hospital in Jamestown and the Life Skills and Transition Center (LSTC) in Grafton. The State Hospital provides inpatient mental health and addiction treatment services. The Life Skills and Transition Center provides residential and other services to individuals with an intellectual disability.

The schedule below details the average daily census of the State Hospital and LSTC:



¹Effective July 1, 2019, a total of 60 beds for the Tompkins Rehabilitation and Corrections Center were transferred to the Department of Corrections and Rehabilitation.

COUNTY SOCIAL AND HUMAN SERVICES PROJECT

Senate Bill No. 2124 (2019) provides for the delivery of social services from human service zones rather than counties. The bill authorizes the transfer of 140 employees from counties to DHS. Senate Bill No. 2015 (2019) transferred \$173.7 million from the tax relief fund to the human service finance fund and Senate Bill No. 2012 (2019) appropriated the funds to DHS for payments to human service zones.

The counties collaborated to form human service zones effective January 1, 2020. Zone directors were to be hired by March 31, 2020, and each zone was to complete an operations plan by June 30, 2020. The first payment to human service zones was made in January 2020 and the second zone payment was made in June 2020. Payments made in 2020 are estimated to total \$91.6 million and 2021 payments are estimated to total \$91.4 million. The total estimated payments are \$9.3 million more than the amount appropriated; however, DHS estimates \$10.3 million of payments will be offset due to zone fund balances exceeding allowable amounts. The department anticipates salaries and benefits costs will exceed estimates by \$13.9 million, indirect costs will exceed estimates by \$6.3 million, and operating expenses will be \$10.8 million less than estimated. A total of 112 positions have been transferred from counties to DHS to date. The positions relate to early childhood services (22), home- and community-based services case management (60), long-term care eligibility (16), child welfare quality control (10), and administration of zone activities (4).

The next topic in the *Budget Basics* series will review the Department of Corrections and Rehabilitation budget.